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CHINA ORIENTAL GROUP COMPANY LIMITED 中國東方集團控股有限公司*

(incorporated in Bermuda with limited liability)

(Stock code : 581)

CONNECTED TRANSACTION FOR PURCHASE OF STEEL PRODUCTS

TRANSACTION BETWEEN CHINA ORIENTAL SINGAPORE AND ARCELORMITTAL SINGAPORE

On 7 October 2015, China Oriental Singapore entered into a sale and purchase agreement with ArcelorMittal Singapore to purchase steel products from ArcelorMittal Singapore on normal commercial terms at consideration of US\$3,750,000 (equivalent to approximately RMB24,000,000) (the “**Transaction**”).

ArcelorMittal Singapore is a subsidiary of ArcelorMittal which indirectly holds the entire equity interest of ArcelorMittal Holdings AG, a substantial shareholder of the Company. Therefore, ArcelorMittal Singapore is a connected person of the Company and the Transaction constitute connected transaction for the Company under Chapter 14A of the Listing Rules.

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) in respect of the Transaction is more than 0.1% but less than 5%, the Transaction is only subject to reporting and announcement requirements and is exempt from the independent Shareholders’ approval requirements pursuant to Rule 14A.76 of the Listing Rules.

The Directors (including the Independent Non-executive Directors) are of the view that the Transaction is entered into in the ordinary and usual course of business of the Group and have been negotiated on an arm’s length basis between China Oriental Singapore and ArcelorMittal Singapore, and the terms thereof are on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

As Mr. Ondra Otradovec owns equity interests in ArcelorMittal, he has abstained from voting on the respective board resolutions approving the Transaction. Other than Mr. Ondra Otradovec, none of the Directors has a material interest in the Transaction. Therefore, apart from Mr. Ondra Otradovec, none of the Directors has abstained from voting on the respective board resolutions approving the Transaction.

TRANSACTION BETWEEN CHINA ORIENTAL SINGAPORE AND ARCELORMITTAL SINGAPORE

On 7 October 2015, China Oriental Singapore entered into a sale and purchase agreement with ArcelorMittal Singapore to purchase steel products from ArcelorMittal Singapore on normal commercial terms at consideration of US\$3,750,000 (equivalent to approximately RMB24,000,000) (the “**Transaction**”). The consideration thereof was arrived at arm’s length negotiation between China Oriental Singapore and ArcelorMittal Singapore, having taken into account the then market price of the steel products for a comparable volume. The payment term by China Oriental Singapore will be by way of an irrevocable letter of credit issued by a financial institution agreeable by ArcelorMittal Singapore.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

Purchase of steel products from ArcelorMittal Singapore is for the benefit of the Group, as the unit price of the steel products are competitive to the then prevailing market prices of comparable products at the relevant time.

In the light of the aforesaid, the Directors (including the Independent Non-executive Directors) are of the view that the Transaction is entered into in the ordinary and usual course of business of the Group and have been negotiated on an arm’s length basis between China Oriental Singapore and ArcelorMittal Singapore, and the terms thereof are on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

INFORMATION OF CHINA ORIENTAL SINGAPORE AND THE GROUP

China Oriental Singapore is a company incorporated in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company. China Oriental Singapore is principally engaged in trading of steel products and iron ore. The Group is principally engaged in the manufacturing and sales of iron and steel products and real estate business.

INFORMATION OF ARCELORMITTAL SINGAPORE

ArcelorMittal Singapore is a company incorporated in Singapore with limited liability and is principally engaged in trading of steel products.

ArcelorMittal Singapore is a subsidiary of ArcelorMittal which indirectly holds the entire equity interest of ArcelorMittal Holdings AG, a substantial shareholder of the Company. Therefore, ArcelorMittal Singapore is a connected person of the Company and the Transaction constitute connected transaction for the Company under Chapter 14A of the Listing Rules respectively.

LISTING RULES’ IMPLICATIONS

As one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) (other than the profits ratio) in respect of the Transaction is more than 0.1% but less than 5%, the Transaction is only subject to reporting and announcement requirements and is exempt from the independent Shareholders’ approval requirements pursuant to Rule 14A.76 of the Listing Rules.

The Directors (including the Independent Non-executive Directors) are of the view that the Transaction is entered into in the ordinary and usual course of business of the Group and have been negotiated on an arm's length basis between China Oriental Singapore and ArcelorMittal Singapore, and the terms thereof are on normal commercial terms, fair and reasonable and in the interest of the Company and its Shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“ArcelorMittal”	a company incorporated under the laws of Luxembourg with limited liability and indirectly holding the entire equity interest in ArcelorMittal Holdings AG
“ArcelorMittal Holdings AG”	a company incorporated in Switzerland with limited liability and holding approximately 46.99% of the issued share capital of the Company, and therefore is a substantial shareholders of the Company
“ArcelorMittal Singapore”	ArcelorMittal SINGAPORE Private Limited, a company incorporated in Singapore and a subsidiary of ArcelorMittal
“Board”	the board of Directors of the Company
“Company”	China Oriental Group Company Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People's Republic of China

“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it under the Listing Rules

By order of the Board
China Oriental Group Company Limited
HAN Jingyuan
Chairman and Chief Executive Officer

Hong Kong, 7 October 2015

As at the date of this announcement, the Board of Directors of the Company comprises Mr. HAN Jingyuan, Mr. ZHU Jun, Mr. SHEN Xiaoling, Mr. ZHU Hao and Mr. HAN Li being the Executive Directors, Mr. Ondra OTRADOVEC being the Non-executive Director and Mr. WONG Man Chung, Francis, Mr. WANG Tianyi and Mr. ZHOU Guoping being the Independent Non-executive Directors.

This announcement is published on the websites of the Company (www.chinaorientalgroup.com) and the Stock Exchange (www.hkexnews.hk).

**For identification purposes only*